CAPABILITIES AND WELLBEING

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Introduction

The Capability Approach (CA) has been initiated and guided by Amartya Sen, since the 1980s, as an alternative to neoclassical welfare economics. The approach emerged gradually out of his rich critique of mainstream economics, in particular his dissatisfaction with conventional notions of rationality (e.g. in *Rational Fools*, Sen, 1977), efficiency (e.g. in *Impossibility of a Paretian Liberal*, Sen, 1970), utility (e.g. in *On Ethics and Economics*, Sen, 1987), and wellbeing (e.g. in *Development as Freedom*, Sen, 1999). Arising out of this critique, the CA can be characterized as an alternative approach to the analysis of poverty and wellbeing, one that has tried to find a middle ground between purely subjective theories of wellbeing on the one hand, such as the preference-based neoclassical paradigm, and, on the other hand, purely objective theories focusing on goods or, a bit less objective, needs. In the CA, it is people's capabilities to function that is the central focus of wellbeing analysis, in other words, what people are able to be or do, rather than what they have in terms of income or commodities.

This contribution will show that methodologically, the CA differs from neoclassical economics in some important ways. Most basically, the CA replaces utility with capabilities as the relevant informational space for analysis, and it substitutes a conception of rationality as utility maximization with the notion that people choose 'what they have reason to value' in order to lead a flourishing life. Hence, the whole utilitarian basis of neoclassical analysis is replaced, which makes many neoclassical concepts and theorems redundant, from Edgeworth boxes to Pareto Efficiency.

Obviously, commodities and incomes do play a role in the CA, but exclusively as means, not as part of the ends. This move away from the neoclassical concern with goods and incomes generated through markets also allows the CA to make space for goods that are not produced or transacted through markets, such as the goods and services produced with unpaid work. Hence, goods acquired (through market exchange, own production, transfers or gifts) are the means for the development of capabilities, not the end, nor a proxy for measuring wellbeing. But the transformation of goods into capabilities does not occur in a social vacuum. Sen acknowledges how personal and social differences between agents may affect the transformation of commodities into capabilities. Here, his concern with inequality comes into the analysis of capabilities. He maintains that it is capabilities that should be made equal through policies addressing poverty and wellbeing, not marginal utilities as in welfare economics, or primary goods as in Rawls' (1971) *Theory of Justice* (Sen, 1987). His argument against Rawls' view is that an equal distribution of primary goods for people with different personal circumstances, for example in the case of a blind man or a breastfeeding mother, will result in different capabilities and hence, inequalities in functionings[1]. He sought to compensate for such differences by focusing on capabilities instead, recognizing that people in disadvantaged situations would require more and/or different resources in order to attain the same level of capabilities as people situated in more fortunate circumstances. Comparable to Rawls, however, Sen favors the equalization of *basic* capabilities, not necessarily all capabilities. Finally, Sen recognizes that there may be biases in the transition from capabilities – what one is able to be or do – to functionings – one's actual beings and doings.

The CA, hence, can be situated somewhere in between neoclassical economics with its concern with subjective wellbeing, and Rawls' theory of justice and its concern with the achievement of primary goods for everyone. It develops such an intermediate theoretical position, however, not independent from heterodox economic traditions. In particular, we recognize a role for institutions, for example in a country's system of entitlements to food,

[1] So, with an equal amount of food for a breastfeeding mother and a woman who is not breastfeeding, the breastfeeding mother's functionings are likely to be less, because the nutritional value of the food intake is used partially for the production of milk.

and there is attention to social relations and values in the CA, for example in the analysis of how groups in society perceive their own functionings in relation to those of others.

Philosophers have been attracted to the CA partly because of the ethics that is clearly part of it. Sen rejects the positivist fact/value dichotomy that still finds so much support among economists, and argues that as soon as we want to understand, and do something about poverty, we can no longer take a neutral position (Walsh, 2003). Moreover, he denies that such a position is feasible at all, arguing that we, as scientists, always have a positional objectivity, never a view from nowhere (Sen, 1993). However, the ethics of the CA is not very clear-cut, as it does not fit squarely in either of the two major ethical alternatives to the consequentialist theory of utilitarianism, that is, Kantian deontology and Aristotelian virtue ethics. Rather, it incorporates elements of all three ethical theories, including consequentialism, although not of the utilitarian kind (Jackson, 2005). The CA therefore is sometimes referred to as a 'thick vague theory' of the good, clearly involving ethical evaluations but not including explicit normative guidelines that would hold independent of specific social contexts. Sen's concern with equality and human dignity clearly has Kantian roots (Pauer-Studer, 2006), while his concern with human flourishing and attention to individual context evidently derives from Aristotle (van Staveren, 2001). It is in particular the Aristotelian dimension of the CA that has brought the CA to the attention of the philosopher Martha Nussbaum. She has made some significant contributions to the approach, some together with Sen, while others diverting from the path he has carved out starting from economics. The major differences between Nussbaum's CA and Sen's CA are threefold (Nussbaum, 2000 and 2003; Nussbaum and Glover, 1995).

First, Nussbaum consistently speaks of capabilities, in plural, emphasizing the incommensurability between different capabilities, as well as their interconnectedness. Sen does not at all disagree with the plurality of capabilities, but he does not want to go the path of identifying a complete and universal list of capabilities, and therefore prefers to speak of capability, singular, while acknowledging that this may contain several capabilities as sub-sets, with different sets for different times and places. Nussbaum clearly acknowledges the

contextuality of capabilities, but nevertheless formulates a tentative list of ten general capabilities. "I consider the list as open-ended and subject to ongoing revision and rethinking … (and) that the items on the list ought to be specified in a somewhat abstract and general way, precisely in order to leave room for the activities specifying and deliberating by citizens and their legislatures and courts that all democratic nations contain" (Nussbaum, 2003: 42). Her list contains the following capabilities: (1) life (2) bodily health (3) bodily integrity (4) senses, imagination, and thought (5) emotions (6) practical reason (perception of the good and critical reflection about the planning of one's life) (7) affiliation (to others and from others to oneself) (8) other species (9) play (10) control over one's environment (political and material). Sen, however, never wants to make a list, fearing that it may be used as a once and for all policy tool. In a response to those who favor Nussbaum's approach, he states: "I have nothing against the listing of capabilities but must stand up against a grand mausoleum to one fixed and final list of capabilities" (Sen, 2004: 80).

Second, Nussbaum recognizes that for the realization of equal capabilities for everyone, some rule is necessary about priorities. She finds such rule in Rawls' maximin criterion of fairness. This criterion states that inequality can only be allowed when the activities driving the inequality benefit the most disadvantaged[2]. Applying this idea to the CA, Nussbaum proposes a minimum threshold for each capability, that should be derived from country's constitutions. Policies for furthering capabilities should therefore prioritize to get everyone across the threshold level for each capability, before spending resources on further increases of capabilities. This is an important difference with Sen as he leaves his CA more open to prioritizations through public debate, allowing for outcomes that do not support norms such as Rawls' maximin rule. In other words, Sen chooses not to set thresholds because he wants to leave that normative decision to political communities themselves.

Third, Nussbaum's CA is less liberalist, in the sense of heralding freedom, and more universalist than Sen's. Nussbaum recognizes fallacies of an exclusive focus on the value of

[2] For example, when medical doctors are paid higher salaries than nurses but they contribute more importantly to the curing of a substantial number of the most disadvantaged patients, such income inequality would be justified in Rawls' view.

freedom, remarking that more freedom to increase their capabilities for some may reduce the freedom of others to enlarge their capabilities. Instead, she favors the Aristotelian idea of balancing values, such as freedom and justice. By staying closer to a more balanced concept of human flourishing, she is critical about Sen's conflation of capability with freedom, arguing that some capabilities are located in a different space, for example that of affiliation or the natural environment. "In other words, all societies that pursue a reasonably just political conception have to evaluate human freedoms, saying that some are central and some trivial, some good and some actively bad" (Nussbaum, 2003: 45).

Nussbaum's approach has met, like Sen's, both with support and criticism. In particular, some feminist economists have found her CA helpful in analyzing and evaluating differences in the wellbeing of women and men (see, for example, a special issue of *Feminist Economics* that has been dedicated to Sen's work, while featuring Nussbaum's contributions to the CA quite favorably, Agarwal, Humphries, and Robeyns, 2003). At the same time, Nussbaum's approach has received criticisms, also from feminists. A major critique concerns her capabilities list, which is found to be too universalist. In a rich empirical study about capabilities of women in the United Kingdom, wherein Ingrid Robeyns (2003) has followed Sen's approach of finding out people's valued capabilities through discussions, Nussbaum's list was only partially confirmed. Whereas Nussbaum had developed her list on the basis of literary accounts of wellbeing (in particular from Greek tragedies, but also from Charles Dicken's novel *Hard Times*, for example), and drawing on interviews with poor women in India, Robeyns used British household survey data and discussions with British women on the capabilities that appeared to be important to them. Although the differences are not very large, there are a few significant differences between Nussbaum's list and Robeyns' findings, in particular relating to the value of time and the issue of childcare.

Another critique of Nussbaum's CA concerns her Rawlsian threshold for capabilities. The threshold may imply, when followed strictly, that investment in human and physical resources for long run economic development should be replaced by short-run focused capabilities investments that will lift everyone up above a certain threshold, even when

constraining long run development. For example, in the case of education in a least developed country, strict application of the threshold to the distribution of public resources to education may imply that there should be no expansion in secondary and tertiary schooling unless all boys and girls go to primary school. But wouldn't this deprive some bright boys and girls who cannot afford private education, of the opportunity to further learning and contributing to the country's development as doctors, lawyers, or IT specialists? In other words, a threshold makes much sense from a fairness perspective, but from a more general wellbeing perspective, which addresses not only opportunities but also outcomes, the difficult question is where the threshold should be placed.

Besides Sen and Nussbaum, others have contributed to the development of the CA, in particular since the 1990s, when the approach gained more influence in policy debates. From the early 1990s onwards, the CA has informed the policy approach of human development, in which human development is not only regarded as the means but also the end of development. This policy application of the CA has found its way to the UNDP's annual *Human Development Reports*. In the reports, the CA has been concretized in the Human Development Index (HDI) as an alternative measure of human wellbeing to GDP[3]. The *Human Development Reports* have had important impacts on policy makers, as they have made clear that income alone is an insufficient measure of wellbeing, whereas economic growth is no guarantee for the improvement of human development for everyone. The commitments that the four major international development organizations (United Nations, World Bank, IMF, and OECD) have made in the year 2000 about poverty reduction for the year 2015 through the Millennium Development Goals (e.g. reducing poverty by 50% and universal primary and secondary education for boys and girls) reflect this influence of the human development paradigm on policy makers.

[3] The HDI is a composite index, consisting of measures of inequality in income, education, (school enrolment and literacy) and health (life expectancy). The measure has been critiqued, refined, and expanded, so that today it is accompanied, for example, by a Gender Development Index (GDI), giving lower HDI rankings to countries that exhibit larger gender in equalities.

The capability approach, developed by Sen, Nussbaum and others, is a valuable theoretical advance for the analysis of wellbeing, as well as a significant innovation for policy advice on poverty reduction. Sen's consistent critiques of the mainstream have shaken up at least some corners of the discipline, especially since he received the Nobel Prize in 1998. This clarity also characterizes his CA even though there remain substantial deliberate open ends, leading to major debates.

Freedom, Personhood, and Wellbeing: Three Contested Issues

Within the CA, there are some important debates, of which I will briefly discuss three: the debate whether capability should be regarded as freedom or more, the debate about the picture of personhood underlying the CA, and the debate where the CA is located or should be located on a subjective-objective wellbeing continuum. Many debates have been informed by gender perspective: Sen has always been open to the workings of gender, both in his theoretical and his empirical work (Sen, 1990; 1992; 1995). He has been part of the emergence of feminist economics from the beginning, and his work has been received well, although not uncritically, by feminists analyzing the gender dimensions of wellbeing (see, for example, the special issue of the journal *Feminist Economics* dedicated to Sen's work[4]). My discussion of the three issues below will be informed partially by work done from a gender perspective.

Capability as freedom

Since his 1999 book *Development as Freedom*, Sen has erased the distinction between capability and freedom: he has chosen to now conceptualize capability *as* freedom: the freedom to be or do what one has reason to value. His arguments are quite strong, referring both to freedom as a value in its own right and to freedom as instrumental for wellbeing, but

[4] *Feminist Economics* vol.9, no.2/3; see also Agarwal, Humphries, and Robeyns (2006).

also pointing to freedom as the route to debate and agree on values. In particular, Sen points out that democracy and free public discussion help to increase the public awareness of capability failures for groups of people, while freedom also allows an exchange of ideas and open public decision making about a society's priorities. The intrinsic value of freedom is for Sen the freedom of opportunity, which provides individuals with choices, requiring a range of opportunities that includes a 'best' one, as he has clarified in his latest book, *Rationality and Freedom* (Sen, 2002: 509). The instrumental value of freedom is also referred to as the process view of freedom and provides scope for autonomy and immunity from interferences by others, but does not necessarily provide sufficient and relevant opportunities.

But are all capabilities about freedom? Doesn't this conflation of these two thick concepts represent a limitation of the CA instead of an elaboration? Several authors have doubts about this and question the tight connection of capability with freedom (Giri, 2002; van Staveren, 2001; Gasper, 2002; Deneulin, 2002; Gasper and van Staveren, 2003; Nussbaum, 2003; Nelson, 2004). Des Gasper has noted that it may become operationalized as a view of wellbeing that is simply favoring more choice. The risk of this simplification is that "it never considers when choice can become oppressive", Gasper (2000: 999) remarks. In particular, the reduction of capabilities to opportunities ignores the bads of opulence, overwork or addiction to television or pornography. These freedoms to eat, work, and watch to ever greater extents, may reduce wellbeing for others whose access to resources may be constrained, or may affect others' wellbeing through externalities arising from over-consumption of such goods, for example rising health care costs. But such freedoms may also negatively affect the wellbeing of the over-consumers themselves, whose functioning may suffer from obesitas, stress, addiction, and subsequent negative health effects (Gasper, 2002; Deneulin, 2002). This recognition, of course, brings in questions about weakness of will, paternalism, and informed choice, which the CA addresses in the space it allows for public discussion on capabilities.

A different argument against reducing capabilities to freedom alone has been given by Gasper and van Staveren (2003). They remark that in a conflation of capability with

freedom, "there is no longer a highlighted distinction between the value of autonomous agency and all the opportunities to achieve other values that may be provided through such agency" (Gasper and van Staveren, 2003: 144). In other words, while more freedom can be interpreted as having more options to choose from, without being constrained in one's choosing, this may not necessarily lead to more freedom as an outcome of one's choices, because some capabilities my entail other values than freedom. Such other values may, instead, refer to freindship, democracy, or respect. But also a whole value domain of women's economic activities remains out of sight by an exclusive focus on freedom: the values of caring, which tend to be both fulfilling for care givers and to care receivers. At the same time, caring is often a burden to care givers, limiting their freedoms, even when they choose to care. Should this be a reason to evaluate caring negatively, and favoring freedom always over caring? Moreover, do we want to live in a world without caring, or would it even be possible to have human development in a world where caring is stripped to a bare minimum so as to prevent possible limitations on people's freedoms? This example suggests that capabilities may include freedom, but should not be reduced to it. Julie Nelson (2004) similarly criticizes Sen's exclusive focus on freedom as well as his degree of emphasis on pure reason. She argues that this focus ignores other dimensions of human wellbeing such as the human need for affiliation, a sense of belonging, capacity for emotion, the experience of feelings. Like Nussbaum (2001), Nelson argues that emotions have a cognitive dimension, they inform and motivate people, which is different from but complementary to the cognitive processes of pure reason.

Marc Fleurbaey (2002) therefore wonders why Sen ties freedom so closely to capabilities and not to functionings instead. He argues that functionings may include freedom as autonomy and the exercise of choice, which goes beyond a focus on mere access to functionings. In such a more detailed understanding of functionings, those poor who fail to seize the opportunities offered through capabilities will not be abandoned, Fleurbaey states. Therefore, he argues, that "it seems an unnecessary, and indeed dangerous, move to shift the ethical perspective altogether from a theory of achievement to a theory of opportunities"

(Fleurbaey, 2002: 74). Séverine Deneulin (2002: 516) takes this point up in relation to the issue of paternalism, suggesting that policies that restrict people's freedom to live in unhealthy or otherwise undesirable ways, represent a kind of paternalism that we should not fear: "since that type of paternalism is nothing more than the refusal to see another person suffering from not being able to live a human life".

It seems that Sen has put himself in a somewhat difficult position by trying, at the same time, keeping the doors wide open to economists and policy makers (to whom his book *Development as Freedom* was largely addressed, arising out of a series of lectures for the World Bank), while also trying to do justice to the complex meanings of the value of freedom.

Personhood and capabilities

Whereas Sen acknowledges the role of certain psychological processes in the CA, such as adaptive preferences, his examples of capabilities mostly refer to physical situations of impaired capabilities, such as in the cases of hunger and illiteracy. Gasper (2000) rightly notes that personal but learned skills of reasoning and acting are thereby largely ignored, while Livet (2006) points at the process of path-dependency in which earlier acquired capabilities affect the range of later acquired capabilities and functionings. Sen does distinguish between the freedom of agents to choose (agency freedom) and the freedom to improve one's own wellbeing (wellbeing freedom). This distinction is not made in neoclassical economics where agents are assumed to act in their self-interest. Instead, Sen's split between agency freedom and wellbeing freedom allows for other-directed choices, that would support the wellbeing of others rather than that of the agent herself. But this distinction, although important, does not yet provide a rich picture of agency and the plurality of capabilities. If agents occasionally act to help others, under what circumstances, for what purposes, and driven by which motivations? This remains underdeveloped: Sen's picture of an agent appears to lack the moral capabilities that would be required for the development of plural capabilities of oneself and others (van Staveren, 2001).

Giri (2002) highlights that Sen's emphasis on freedom requires attention to the responsibility of a person, an insight that Sen has recognized but not incorporated in his CA. How can agents develop a plurality of capabilities and pursue their own and others' wellbeing without feeling, in some way, responsible for this? Moreover, Giri regrets that Sen remains with a rather dualistic view of human motivation, posing self-interest against altruism. Adam Smith already, Giri says, was dissatisfied with such dichotomous thinking about human agency, in his elaboration of the idea of the impartial spectator, and he suggests that the way out of the dichotomy lies in self-development. In order to address the rather thin view of personhood in Sen's CA, Benedetta Giovanola (2005) has pointed in the direction of anthropological richness, as the starting point for developing a notion of personhood in the CA. This would allow a better balance between the subjective and objective extremes in which the CA is situated: "human essence is something potential (to be realized), and can only be fulfilled in particular ways that vary from person to person. Therefore, anthropological richness is at the same time universal and particular, since every human being expresses – or at least should express – it through his or her particularity" (Giovanola, 2005: 262). In a feminist analysis of agency and interdependence, Fabienne Peter (2003) has pointed attention to the need for such richness in order to develop an understanding of situated agency, not only in anthropological terms but also in moral terms. She agrees with Sen that in a context of strong gender inequality, women's agency may be severely restricted. "But", she argues, "limited effective agency does not imply impaired moral autonomy, absence of agency-capability, and thus absence of judgment" (Peter, 2003: 27).

Davis (2002) identifies part of the thinness of Sen's view of personhood in a lack of space for personal change in a person's capabilities, and shows how this may be addressed by looking at the social embeddedness of persons. In his book on the individual in economics, Davis (2003) pleads for an understanding of an agent as socially embedded and reflexive, two features that turn an agent into a person, going beyond the standard picture of an agent, characterized as merely a chooser.

In Sen's earlier work, there is quite a bit attention to personhood, and he has taken elaborate efforts to go beyond a simplistic image of agency, using concepts such as sympathy and commitment. But somehow these insights have not yet made it enough to the view of personhood behind capabilities and functionings.

Subjective versus objective wellbeing

The CA is meant to represent an advance beyond, on the one hand, the subjective wellbeing measure of utility, and, on the other hand, the objective wellbeing measure of commodities. In the debates on this issue, two questions have emerged. First: does the CA represent an acceptable mean between these two extremes, or is it biased to one side? Second: how should the CA be related to a new variant of subjective wellbeing measures, namely happiness studies which relies on relative interpersonal comparisons of self-reported wellbeing? In the literature, these two questions tend to be discussed together, so I will not try to separate them here as that would be rather artificial. I will refer in particular to a recent volume of the *Review of Social Economy* (vol. LXIII, no. 2, 2005) that was dedicated to a discussion between the capability approach and happiness studies.

A starting point in the discussion on subjective and objective wellbeing is an enquiry about wellbeing. As Gasper (2005) has shown, there are quite a few nuances and overlaps between concepts of wellbeing. Moreover, one needs to recognize that agents may pursue their own wellbeing but may also choose to further the wellbeing of someone else – however defined. Happiness, as a subjective measure of wellbeing, does not easily connect to capability, which has a more objective status. Gasper warns that a connection may easily slide into the conventional hedonistic view of wellbeing of mainstream economics, and therefore calls for more attention in CA to objective measures of wellbeing. Taking this point further, Miriam Teschl and Flavio Comim (2005) refer to Kahneman's work in economic psychology on a more objective approach to happiness, which is a mix of hedonic and affective experiences reported by individuals for a 'representative moment', hence, in real-time rather than in the abstract as is the case in many happiness surveys. But this solution may still suffer

from the individualist focus of wellbeing in the CA. This tension points at the need to distinguish between types of capabilities: skills, attitudes and dispositions, next to opportunities (Gasper and van Staveren, 2003). Whereas opportunity capabilities are more subjective, reflecting 'what people have reason to value', the skill-type capabilities seem to be of a more objective, or at least a more structured and reflective kind, referring to concrete skills, attitudes and dispositions. Examples of capabilities as skills, attitudes and dispositions are: being able to appear in public without shame, to do a task demanding physical effort, or to make-up one's personal human resources development plan. Whereas the opportunity capabilities are more individualistic, the others may be regarded as more social or structural, to use Jackson's (2005) words. Nussbaum's list contains a mix of the two types of capabilities – as opportunities and as skills/attitudes/dispositions – which may provide a good starting point for further balancing the CA between subjective and objective measures of wellbeing.

The next section will discuss briefly what might be expected from empirical applications (for example: Robeyns, 2002; Alkire, 2002; Kuklys, 2005), in particular in relation to social economics.

Capabilities and Wellbeing from a Social Economic Perspective

Sen has taken much effort, throughout his career, to remain connected to the mainstream, to debate with welfare economics and engage in policy discussions on a variety of development issues, ranging from acceptable inflation rates to impacts of globalization. Because of his continuous engagement, several authors have concluded that Sen is more a reformist than a radical, more concerned with keeping the mainstream on board than with developing a more independent alternative to welfare economics. Peter Evans (2002), for example, argues that Sen has not taken his approach far enough to be able to function as an alternative to mainstream economics. John Cameron (2000: 1043), like Evans, has praised Sen's continuous debate with the mainstream, but he also assesses that "the analysis of capabilities,

functionings and wellbeing as a foundation for a comprehensive re-thinking of inequality and development appears to have stalled by its failure to transcend the epistemological constraints of mainstream economics." Indeed, much of the critiques discussed above seem to be rooted in the recognition of inconsistencies between the ambition of the CA, on the one hand, and its remaining ties with neoclassical economics, on the other hand.

It may, therefore, well be that connections between the CA and heterodox traditions could turn out more fruitful for the development of the CA, helping it to move further away from mainstream habits while supporting it with an already developed, though admittedly fallible, alternative methodology. For socio-economics, the methodological resources offered would be, among others, a socially structured view of behavior, an explicit concern with morality, and a critical stance on an exclusively liberalist political philosophy. At the same time, the CA presents to socio-economists an approach that focuses on capabilities and functionings, as concepts that may well fit a concern with social structure. Let me, very briefly, try to indicate how the CA and socio-economics may benefit from a stronger mutual engagement. I will make use of work that has already been undertaken at the crossroads of these two traditions, in particular on households and gender, on the one hand, and on labor markets on the other hand.

Elizabeth Oughton and Jane Wheelock (2003) have applied the CA to their study of livelihoods of households with micro businesses. Their study has shown that what matters for the wellbeing of small scale entrepreneurs is a variety of capabilities that can be used both in household tasks and for business purposes. They also show that there exists a set of gendered constraints on acquiring sufficient capabilities, and on the conversion of capabilities to adequate functionings for each member of the household. Their application of the CA illustrates that capabilities go beyond freedoms, but also involve affiliations, and that functionings need to be understood in terms of functionings of *what* and for *whom*. John Davis (2002) has elaborated the gender dimensions of the constraints on women's capabilities in and outside households, drawing on the work by feminist economist Nancy Folbre. He has elaborated the CA in order to allow for capability development over time, in relation to a

concept of personhood that understands individuals as members to groups. On labor markets, the CA has been employed in order to further specify labor capabilities, in terms of skills, rather than opportunities. In such applications, the CA offers a wider understanding of skills than as human capital, or as specific job-related skills. For example, David Levine (2004) has redefined poverty as the absence of freedom to do skilled labor, pointing at problems of unemployment and exclusion. Rather than seeing capabilities only as opportunities, as in Sen's approach, he understands labor capabilities as labor-market related skills, that should not go wasted. Similarly, Jean-Michel Bonvin and Nicolas Farvaque (2005) have characterized job-seekers in terms of their capabilities rather than in terms of preferences for income and leisure, providing a deeper understanding of the workings and wrongs of labor markets in relation to job seekers' skills. Finally, in a conceptual paper, tentatively linking capabilities to culture and social structure, William Jackson (2005) has further distinguished capabilities. He has suggested to differentiate individual from social and structural capabilities, in order to move away from a too individualist focus of capabilities, and to better acknowledge the role of social structures and institutions.

In conclusion, there appears to be an exciting road ahead for the further development of a social economic capability approach – but a road not without pitfalls. There are some side-paths that may rather lead one into the bush – or back to the highway of mainstream economics. So, the traveler may be advised to watch out for particularly two suspicious turns: first, the one that conflates capabilities with freedom, reducing the approach to opportunities, and second, a too individualistic understandings of capabilities that ignore various biases that inhibit capabilities to be transformed into functionings.

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